## Message Text

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PAGE 01 STATE 035349

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**ORIGIN SS-25** 

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R 150304Z FEB 75 FM SECSTATE WASHDC TO AMEMBASSY MEXICO

CONFIDENTIAL STATE 035349

E.O. 11652: GDS

'AGS: ESTC, CPAS, MX, CUBA

SUBJECT: US PROBLEMS WITH GOM IN TRADE WITH CUBA

REF: MEXICO 1334

1. WITH REGARD TO POTENTIAL PROBLEM ARISING FROM MEXICAN PRESSURE ON US SUBSIDIARIES IN MEXICO TO PARTICIPATE IN TRADE FAIR IN CUBA AND TO EXPORT TO CUBA, DEPARTMENT WISHES TO POINT OUT, FOR EMBASSY'S BACKGROUND INFO, THAT ONE OF KEY CONSIDERATIONS IN HANDLING APPLICATIONS FOR EXPORT LICENSES WILL BE PERCENTAGE (BY VALUE) OF US-MADE COMPON-ENTS IN ITEMS TO BE EXPORTED. IF ITEM FOR WHICH LICENSE REQUESTED CONTAINS MORE THAN FIFTEEN OR TWENTY PERCENT US-MADE COMPONENTS, WE WOULD HAVE GREAT DIFFICULTY UNDER EXISTING PRACTICE; IN RECOMMENDING APPROVAL OF LICENSING REQUESTS. (IT SHOULD BE NOTED THAT PRODUCTS AUTHORIZED FOR EXPORT BY AMERICAN COMPANIES IN ARGENTINA CONTAINED LESS THAN TWENTY PERCENT US-MADE COMPONENTS.) WHILE PER-CENTAGE OF US COMPONENTS IS ONE OF KEY FACTORS, OTHER CONSIDERATIONS WILL ALSO BE WEIGHED, AND IT CANNOT BE CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 035349

PREDICTED THAT PRODUCTS WITH LESS THAN FIFTEEN OR TWENTY

PERCENT US-MADE COMPONENTS WILL NECESSARILY BE LICENSED FOR EXPORT.

2. IN VIEW OF IMPORTANCE OF PERCENTAGE OF US COMPONENTS, EMBASSY IS REQUESTED OBTAIN FROM REPRESENTATIVES OF US SUBSIDIARIES UNDER PRESSURE FROM GOM TO EXPORT TO CUBA .

ESTIMATE OF THIS PERCENTAGE FOR GOODS THEY ARE CONTEMPLATING EXPORTING AND TO FURNISH THESE ESTIMATES TO DEPARTMENT. IF PERCENTAGES ARE ABOVE FIFTEEN TO TWENTY PERCENT, FOR SOME ITEMS, WE MAY WISH APPROACH RABASA IN ADVANCE OF FORMAL ACTION ON LICENSE REQUESTS, TO LAY OUT PROBLEM CLEARLY FOR HIM, POINT OUT DIFFICULTIES WE FACE IN DEALING WITH LICENSING REQUESTS FOR ITEMS WITH HIGH PERCENTAGE US COMPONENTS, AND ASK FOR GOM COOPERATION IN NOT PRESSING THOSE REQUESTS.

3. WE WOULD ALSO APPRECIATE KNOWING IF THERE ARE AMERICAN CITIZENS ON THE BOARDS OF DIRECTORS OF SUBSIDIARIES APPLYING TO SHIP TO CUBA AND, IF SO, WHETHER THEY CONSTITUTE MAJORITY OR MINORITY. INGERSOLL

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## Message Attributes

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To: MEXICO

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